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OCBC BANK ANNOUNCES LAUNCH OF PIONEER FUNDING LTD TO MEET NEEDS OF INVESTORS

New and independent entity will enable the Bank to securitise its assets and repackage a wider range of products for institutional and sophisticated clients

Singapore, 18 July 2001 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") announces today the launch of Pioneer Funding Ltd ("Pioneer"), a special purpose vehicle ("SPV") set up to enable the Bank to securitise its assets and repackage a wider range of products for its institutional and sophisticated clientele.

Pioneer, formed solely for the purpose of issuing secured notes, will be owned by a charitable trust. OCBC Bank, who commissioned Pioneer's launch, will act as its financial advisor on the choice and structuring of the underlying securities and the management of its medium-term note programme. Dexia Trust Services Singapore Limited will serve as trustees of Pioneer's shares and Dexia Fund Services Singapore Pte Limited will provide corporate services including management, administrative and accounting services. OCBC Bank and Dexia will earn fee-based incomes from the services they provide.

Under Pioneer's 15-year Secured Note Programme, it will be able to issue up to S\$2.5 billion in aggregate principal amount of Notes to Singapore-based institutional and sophisticated investors. The Notes may be short term or long term in duration, and may be issued in Singapore dollars or other major currencies. The Notes will be issued in Series and secured on the respective underlying assets which could include securities, loans and derivative products of OCBC Bank or from the market. This will allow Pioneer to tailor each Series according to its respective investor's specific preferences and investment objectives. The programme will thus be structured in a way that will protect investors of each Series from the claims of investors of other Series. The Notes will represent obligations of Pioneer and do not represent interests in or obligations of OCBC Bank or any of its affiliates.

"We expect a strong demand for Pioneer's service given the flexibility it will offer institutional and sophisticated clients in choosing their preferred investment instruments based on their objectives and risk appetites," said Mr George Lee, Head of Corporate and Institutional Banking and Capital Markets. "This SPV is further differentiated by the segregated feature of each Series and the protection it offers each client from the claims of other clients."

About OCBC Bank

OCBC Bank is a Singapore-based financial services group offering a broad range of financial services, including consumer, corporate and international banking, investment management, global treasury, stock-broking and eFinancial services. With total assets of S\$60 billion,

OCBC Bank ranks as the second largest local bank in Singapore in terms of market capitalisation.

Established in 1932, OCBC Bank currently employs 6,400 staff globally and operates 89 branches and representative offices in 13 countries worldwide, with one of the most extensive networks among regional banks. For the financial year ended 31 December 2000, OCBC Bank achieved a profit attributable to shareholders of S\$840 million, representing a 16.4% increase over the previous year.

OCBC Bank's mission is to be a world-class financial institution in Asia Pacific. A leading eCommerce financial player, OCBC Bank is being transformed into a 'click-and-mortar' bank while its wholly-owned subsidiary Bank of Singapore Limited (BOS) is positioned to pursue global innovative eCommerce initiatives in the buyer-advocate space. By leveraging on its rich heritage, innovative spirit and forward-looking management, OCBC Bank is committed to helping its customers, shareholders and staff grow from strength to strength.